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3. ISRAEL-US: DEFENSE MINISTER RABIN TO VISIT

WHILE IN WASHINGTON NEXT WEEK, DEFENSE MINISTER RABIN WILL TRY

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TO SHORE UP ISRAEL'S DEFENSE INDUSTRIES BY URGING MORE JOINT WEAPONS
DEVELOPMENT PROGRAMS WITH THE US AND INCREASED US MILITARY PURCHASES
FROM ISRAEL. HE ALSO WILL SEEK ASSURANCES THAT US MILITARY GRANT AID
TO ISRAEL WILL REMAIN AT THE CURRENT ANNUAL LEVEL OF \$1.8 BILLION.

COMMENT: RABIN SPEARHEADED THE EFFORT TO CANCEL THE LAVI
FIGHTER AIRCRAFT PROJECT AND WANTS TO MINIMIZE THE DAMAGE TO ISRAELI
HIGH-TECHNOLOGY INDUSTRY FROM THE LOSS OF MORE THAN \$200 MILLION
ANNUALLY IN LAVI-RELATED CONTRACTS. HE HOPES TO ACQUIRE SUBSTANTIAL
US FUNDING THROUGH PARTICIPATION IN SDI TO DEVELOP ISRAEL'S ARROW
ANTITACTICAL BALLISTIC MISSILE. ISRAEL LAST MONTH SECURED GENEROUS
TERMS FOR ITS PENDING PURCHASE OF 75 F-16 C/D FIGHTER AIRCRAFT, AND
RABIN WANTS EQUALLY FAVORABLE TERMS FOR A PLANNED PURCHASE OF AH-64
APACHE ATTACK HELICOPTERS. HE WILL TRY TO MAXIMIZE OFFSETS--
STIPULATIONS REQUIRING US PURCHASES FROM OR CONTRACTS WITH ISRAELI
FIRMS--ASSOCIATED WITH THESE TWO MAJOR PURCHASES TO INCREASE THE
WORKLOAD FOR HIS COUNTRY'S AILING DEFENSE INDUSTRIES. ~~SECRET~~

11 Dec 87

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